

82



## APCO EMPLOYEES CREDIT UNION

1606 SEVENTH AVENUE, NORTH

BIRMINGHAM, ALABAMA 35203

TELEPHONE 257-3601

April 11, 2006

Via Facsimile: (703) 518-8319

APR14'06 AM 7:37 BOF

Ms. Mary Rupp, Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, Virginia 22314-3428

Re: Comment on Part 715 ANPR, Supervisory Committee Audits

Dear Ms. Rupp:

This is in regard to the proposed changes to Supervisory Committee audit standards. APCO Employees Credit Union opposes the changes because the great expense to comply would hurt members.

The proposed changes would require credit unions obtain an "internal control attestation" (evaluation) from their external auditors. The Credit Union believes that audits by the federal examiners, state examiners and accounting firm each year are sufficient. The fact that banks already follow some of these rules is immaterial. Credit Unions are different from banks because credit unions do not have publicly traded stock.

Another proposed rule would change the qualifications requirements of Supervisory Committee. Under the proposal a majority of supervisory committee members must be "financial experts." This change is unnecessary. Supervisory Committee members are qualified volunteers that diligently carry out their oversight duties. The committee uses an accounting firm to conduct the audit.

Finally, the proposal considers implementing some changes only for credit unions over 500 million or one billion dollars in assets. Penalizing larger credit unions would be unfair. It would divide large and small credit unions and penalize members of larger credit unions.

In conclusion, adding another layer of review is unnecessary since there are no problems to justify these new rules. Higher costs always result in the members getting lower savings rates, higher loan rates and higher fees. The proposed changes to Supervisory Committee rules would be redundant, increase expenses and hurt our member's financial well being.

Sincerely,  
APCO Employees Credit Union

Larry D. Morgan, CCUE, CFP  
President